

HCS HB 458 -- BRYCE'S LAW

SPONSOR: Scharnhorst

COMMITTEE ACTION: Voted "Do Pass" by the Committee on Elementary and Secondary Education by a vote of 15 to 9.

This substitute establishes Bryce's Law which authorizes, beginning January 1, 2013, an income tax credit equal to 50% of the donation to a scholarship-granting organization for special needs students or children if it is not claimed on the taxpayer's federal income tax return. The credit cannot exceed 50% of the taxpayer's state tax liability for the year it is claimed, cannot exceed \$250,000 per taxpayer per tax year, and can be carried forward for up to four years or sold. The maximum amount of tax credits that can be issued annually is \$20 million. The credit can be claimed by an individual, firm, partner in a firm, shareholder in an S corporation, corporation, corporation paying franchise tax, financial institution paying taxes to Missouri or any political subdivision, express company, or tax-exempt charitable organization with Missouri unrelated business taxable income. The bill requires the Department of Elementary and Secondary Education to determine which organizations can be classified as scholarship-granting organizations and share the results with interested taxpayers. The department must track all contributions and taxpayer identities and report the information to the Director of the Department of Revenue.

A scholarship-granting organization must provide scholarships to eligible students attending qualified public or nonpublic schools of their parents' choice or children receiving services from qualified providers from at least 90% of its revenue from donations for tuition, fees, and transportation costs; ensure that the scholarships do not exceed an average of \$20,000 per eligible child or \$50,000 per eligible student, demonstrate its financial accountability and viability; provide a surety bond payable to the state in the amount of its expected annual donations; and send an annual report to the department by June 1. An "eligible student" is defined as any elementary or secondary student who attended school in Missouri the preceding semester and has an individualized education program (IEP) for autism spectrum disorder, Down syndrome, Angelman syndrome, or cerebral palsy or who has a medical diagnosis of those disabilities. An "eligible child" is a child from birth to age five who has either been receiving services from the First Steps program and whose parent has been through the complaint process with a negative outcome or who has been evaluated for First Steps, found to have a special need but who did not qualify because the degree of disability was not severe enough. The substitute requires the promulgation of rules to define the

credentials to provide a medical diagnosis. Provisions for determining the number of scholarships based on a percentage of the special needs IEPs and disability incidence rates are included. The scholarship is portable and can be distributed in periodic payments as checks made out to the student's or child's parent and mailed to the qualified school where the student is enrolled or to the qualified service provider.

Qualified schools and service providers must adhere to the safety and accountability requirements specified in the substitute. They must certify that in providing educational services or behavioral strategies to a scholarship recipient with autism spectrum disorder that they will adhere to the best practices recommendations of the Missouri Autism Guidelines Initiative Guide, or document why not; additional requirements for autism and other special needs are also specified in the substitute.

The department must conduct a study to determine the level of satisfaction with the program, the change in the percentage of students bullied or harassed, the number of students exhibiting behavioral problems, and class size comparisons between the resident school district and the qualified school, and the fiscal impact of the program. The department must present the report to the General Assembly by December 31, 2016.

The provisions of the substitute expire December 31 six years after the effective date.

PROPONENTS: Supporters say that children with autism benefit from early intervention but frequently are not diagnosed until they have exhausted the possibilities in their schools. Unfortunately, services for children with autism are not uniformly available across the state. This bill would give them more choices.

Testifying for the bill were Representative Scharnhorst; and Children's Education Council of Missouri.

OPPONENTS: Opponents of the bill say that the bill needs to extend down to early childhood and should have lower contribution maximums.

Testifying against the bill were Special School District of St. Louis County; Mike Lodewegen, School Administrators Coalition; Steve Carroll, Special Administrative Board of the St. Louis Public Schools; Cooperating School Districts of Greater St. Louis; Cooperating School Districts of Greater Kansas City; American Federation of Teachers; Missouri National Education Association; Missouri State Teachers Association; Missouri School Boards Association.